GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:270
ANSWERED ON:09.08.2001
PROCUREMENT PRICE FOR FOODGRAINS
JAGMEET SINGH BRAR

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the procurement price for foodgrains is likely to be affected by Government`s decision to reduce the prices of foodgrains supplied through PDS to clear surplus stock; and

(b) if so, the steps taken to protect the interest of farmers and agriculturists who have toiled hard to make the country self-sufficient in foodgrains?

Answer

MINISTER OF AGRICULTURE (SHRI AJIT SINGH)

(a)&(b): No, Sir. The procurement/minimum support price (MSP) for foodgrains is not determined by the Central Issue Price (CIP) for foodgrains distributed through Public Distribution System (PDS).The main objective of the minimum support price scheme is to ensure remunerative prices to the farmers for their produce. These prices are finalized on the basis of the recommendations of the CACP as also other factors considered importantby the Government. One of the major factors considered while finalizing the MSP is the cost of cultivation. Prices under PDS are, on the other hand, finalized mainly with a view to protect the interest of the consumers.